



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**40**

**2. Council Meeting Date:**  
July 9, 2015

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** June 18, 2015

**THROUGH: CITY MANAGER**

**4. Requesting Department:**  
Management Services

**5. SUBJECT:** Purchase of Annual Maintenance for the Tax Mantra System

**6. RECOMMENDATION:** Staff recommends City Council approve the sole source purchase of annual maintenance for the Tax Mantra system from Tata Consultancy Services, Ltd., in an amount not to exceed \$167,948.

**7. HISTORICAL BACKGROUND/DISCUSSION:** The Tax Mantra system is the city's Transaction Privilege Tax (TPT), commonly referred to as Sales Tax, collection and licensing software system, providing the administration and processing functionality necessary for collection of nearly 50% of the City's General Fund revenues. The original five-year maintenance agreement ended July 31, 2010.

Tata Consultancy Services, Ltd., offers a new version, but the City determined to maintain the existing software and not go through the time requirements and expense of upgrading the system. This was determined based on the impending transition to State collection which will completely change the City's tax related system needs. The client-based version we continue to utilize is outdated and the vendor will not enter into a long-term maintenance agreement. Therefore, Tax Mantra system maintenance agreements will be renewed on an annual basis.

**8. EVALUATION PROCESS:** In May 2004, Council awarded the purchase of the Tax Mantra system from Tata Infotech, Ltd., now known as Tata Consultancy Services, Ltd. The purchase included a five-year agreement for annual maintenance services to be automatically renewed every August 1<sup>st</sup> of subsequent years, with each year following as an annual renewal with a 10% increase in the maintenance agreement cost. The associated costs for this year's maintenance of \$167,948 reflects this mandatory 10% annual increase over last year's cost of \$152,680. Because the system is proprietary, the ongoing maintenance service is available only from Tata Consultancy Services. No other vendors are authorized to provide these maintenance services.

**9. FINANCIAL IMPLICATIONS:** The \$167,948 needed for this purchase is available in the General Fund, Tax & License Cost Center, Other Equipment Repairs & Maintenance Account (101.1240.5419).

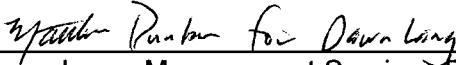
**10. PROPOSED MOTION:** Move City Council approve the sole source purchase of annual maintenance for the Tax Mantra system from Tata Consultancy Services, Ltd. in an amount not to exceed \$167,948.

**APPROVALS**

**11. Requesting Department**

  
Matt Dunbar, Revenue and Tax Manager

**12. Department Head**

  
Dawn Lang, Management Services Director

**13. Procurement Officer**

  
Carolee Stees, CPPB

**14. Acting City Manager**

  
Marsha Reed